

Message Text

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70

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 RSC-01 CG-00 COA-01 DLOS-03 L-02

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R 2823020Z JAN 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5709

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E.O. 11652: N/A

TAGS: EWWT, GT

SUBJECT: SHIPPING: DELTA FLOMERCA PROBLEM

REF: GUATEMALA 123 AND 143

1. SINCE REFTELS THERE APPEARS TO HAVE BEEN ONLY MINIMAL PROGRESS IN FOREIGN MINISTRY TO MOVE AHEAD ON RUBIO PLAN FOR MARITIME TAX (MENTIONED IN GUATEMALA 123) AS WAY OF RESOLVING DELTA-FLOMERCA ISSUE. OUTLOOK IS FOR THIS INACTION TO CONTINUE.

2. MEANWHILE, CHAMBER OF COMMERCE EFFORTS TO SECURE PASSAGE OF ITS MERCHANT MARINE TAX DRAFT PROPOSAL NOT PROSPERING. MLN PARTY MEMBER ON FLOMERCA BOARD TOLD EMBOFF THAT FLOMERCA BOARD UNALTERABLY OPPOSED TO CHAMBER PROPOSAL. CONCURRENTLY, EFFORTS LED BY COUNCIL OF STATE MEMBER ANTONIO GUIROLA TO HAVE COUNCIL COME OUT IN FAVOR OF CHAMBER PROPOSAL MEETING WITH ALMOST NO SUCCESS. CACIF (GROUPING OF VARIOUS AGRICULTURE CHAMBERS AND CHAMBERS OF INDUSTRY, COMMERCE AND FINANCIAL SECTORS) BACKING FOR CHAMBER PROPOSAL NOT OBTAINED. OPPOSITION IN CACIF LED BY SUGAR ASSOCIATION AND SUPPORTED MOST PROBABLY BY REST OF AGRICULTURE SECTOR. OPPOSITION BASED ON FACT THAT AGRICULTURAL EXPORTS HAVE TRADITIONALLY BEEN EXPORTED FROM GUATEMALA ON ANY AVAILABLE SHIP AND WITH NO LIMITED OFFICIAL USE

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EXTRA FEE OR CHARGES BEING PAID. POINT HERE IS THAT WITHOUT CACIF SUPPORT, EXTREMELY UNLIKELY THAT CHAMBER PROPOSAL WILL MOVE FORWARD.

3. ON JAN. 27 DELTA AREA SALES MANAGER JIM RICHARDS MET WITH DCM AND EMBOFFS; RICHARDS BRIEFED ON CURRENT STATUS. BASIC EMBASSY POSITION WAS THAT GIVEN IMPROBABILITY OF FAVORABLE ACTION BY GOG ON EITHER RUBIO'S OR THE CHAMBER OF COMMERCE'S PROPOSAL, DELTA WILL NOW HAVE TO DEAL DIRECTLY WITH FLOMERCA AND POSSIBLY ARMAGUA TO OBTAIN FINAL RESOLUTION OF SHIPPING ISSUE. POINT ALSO MADE THAT GIVEN CURRENT VIRULENT OPPOSITION OF LATIN AMERICANS TO US TRADE ACT, COUPLED WITH THE FACT THAT DELTA OPERATIONS TO AND FROM GUATEMALA HAVE NOT BEEN IMPINGED UPON SINCE AT LEAST AUGUST 1974 (TIME OF AMBASSADOR'S TALKS WITH PRESIDENT LAUGERUD AND FOREIGN MINISTER MOLINA ON THIS ISSUE), THERE NO URGENCY FOR DELTA TO ACT AT THIS TIME. RATHER DELTA MIGHT FIND IT IN ITS INTERESTS TO AWAIT A MORE OPPORTUNE TIME SOMEWHERE DURING THE NEXT SIX MONTHS TO RESUME NEGOTIATIONS WITH FLOMERCA.

4. COMMENT: IT APPEARS THAT CAPTAIN CLARK OF DELTA MAY BE IN GUATEMALA IN MID-FEBRUARY FOR A COUNCIL FOR THE AMERICAS SPONSORED SEMINAR. IF SO, NOTWITHSTANDING EMBASSY OBSERVATIONS NOTED ABOVE, HE WILL PROBABLY TAKE ADVANTAGE OF HIS PRESENCE HERE TO REOPEN TALKS WITH FLOMERCA.
DECONTROL AFTER 1/31/76
MELOY

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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Margaret P. Grafeld
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